

7

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LABOR CONTRACTS AND NEW WAGE POLICY IN CZECHOSLOVAKIA

LABOR CONTRACTS, STEP TOWARD COLLECTIVE AGREEMENTS -- Prague, Vestnik Ministerstva, Prumyslu, Vol I, No 2, 10 Dec 50

In the process of drawing up factory contracts, experience must be accumulated which will later permit the adoption of Soviet-type collective agreements.

The introduction to each factory contract should contain a brief but accurate evaluation of the political importance of the entire production campaign, its part in the successful fulfillment of the plan target, and its effect on the increase of labor productivity and the earning opportunities which are to be secured by the norms established.

The second part of the contract should express concretely the extent to which the time for the manufacture of various products will be cut as a result of the norms established. It should further state how this time factor will contribute to plan fulfillment during the plan year or how it will help the plant to execute the plan in a shorter time.

The contract should state how much the manpower requirements have been reduced as a result of the norms. The plant administration shall have the responsibility of certifying the revised and reapproved norms through the end of 1951.

The most important part of the contract between the plant administration and the factory council is the bilateral obligation describing the measures to be taken by both parties to enable the workers to meet and surpass the established norms.

The contract must contain a concrete statement by the plant administration as to when and what technical and organizational measures will be taken. It should also clearly designate the person responsible for such measures. These measures should eliminate any shortcomings which the workers have pointed out in the course of discussion of the new norms. Management obligations must include steps to be taken during 1951 to reduce the number of industrial accidents, and to improve sanitary conditions of working places, lounges, washrooms, barracks, etc. The contract must include the management's obligations with

- 1 -

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respect to distribution of manpower, and must specify which categories of workers are to receive training and refresher courses, as well as the amount of time to be devoted to such training by both new and old workers. The plant administration will also announce the measures to be taken to raise the professional qualifications of the technical personnel.

All pledges by trade unions must include time limits and must be supplemented by the assignment of personal responsibility to individuals, regardless of whether the pledge is aimed at assisting the plant administration to meet its commitments, or at the execution of a trade-union objective.

This pledge must include plans made by the factory council to foster new forms of socialist competition, to form brigades of rationalizers and shock workers, and to organize lectures and courses in the labor school attached to the plant.

The contract should include a statement that all elements of the revised norms are integral parts of the contract. The contract should also define concretely the conditions under which the revised norms are to be applied during 1951.

Since the factory contract must be considered by all employees as a binding political document, it is essential that all commitments be discussed with the workers and that they be given a chance to express their opinions in the matter. Only in this way will the employees understand that the contract is in their best interests.

To achieve good results, factory contracts must be uniform from plant to plant. It would be correct to discuss the contracts of the most important plants in the executive committees of the okres, kraj, and central committees of the trade-union federations, as well as in the central trade-union organs. In this way, union officials will have an opportunity to exchange valuable experience which they can apply later in their work.

INSTITUTE NEW WAGE POLICY -- Neue Zuercher Zeitung, 27 May 51

The official industrial policy of the Communist regime of Czechoslovakia is approaching the last steps of a development which follows the Soviet pattern. Close supervision is being established over wages; and every industrial enterprise and every single shop will be permitted to pay wages in proportion to its production.

In a decree approved by the cabinet early in April, the government transferred the supreme control over nationalized industries to a new body, the State Wage Commission. The Prime Minister will preside over the commission which includes the three Ministers of Heavy Industry, Building Industry, and Labor and Social Welfare, as well as three representatives of the trade union. The State Wage Commission will publish general directives and decide fundamental questions. The responsibility for the enforcement of the new wage policy is assigned to the directors of enterprises and to shop foremen.

Supervision of enforcement is principally the task of the trade unions and of the State Bank. By virtue of its control over the financial resources of each enterprise, the State Bank will, in reality, assure strict adherence to the wage plan.

The innovation consists in the establishment of a total wage figure corresponding to the planned production within an enterprise. This figure is prepared by the plant director in conjunction with the trade-union representatives.

- 2 -

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It shall be retroactive from 1 April 1951 and extend to the end of 1951; thereafter, it shall be adjusted annually. In the future, the fixed wage may be exceeded only when the production-plan quota is surpassed, and shall be reduced when the plan quota is not fulfilled. Since the resources of the plant itself, except in cases of unexpected difficulties which occur within the plant, are set at a very low level, wage payments cannot be continued -- as was obviously the case heretofore -- without consideration of the actual production. Bad management will be felt immediately not only by those responsible, but also by all the workers and employees of a particular plant.

However, the socialist bonus policy is being instituted in order to arouse and maintain interest and to spur the workers. The law specifies that 10 percent of the earnings of the nationalized economy are to be set aside as "bonuses" for the personnel of each enterprise in question. After initial vacillation concerning the use of such a bonus, the trade unions and the Minister of Finance agreed to the collection of all earned bonuses within a "unified employees' fund," which would finance vacation and health expenses, educational and cultural institutions, etc. This "unified fund" is to be continued, but no longer for the benefit of industry as a whole. Now, each individual enterprise will receive a share of the fund, so that its employees are directly interested in the earnings of the plant.

The bonus which the enterprise may expect to receive for the first time in 1951 is not to be divided among the workers, but is to be spent for social and cultural activities which will benefit the employees as a whole.

Communist economic planners are aware of the psychological resistance which the new wage policy must overcome among the broad masses of workers. Consequently, they urge labor unions to the forefront of the struggle for an increase in labor productivity, which has not kept pace with the average rise in wages. President Gottwald has vigorously pointed out that nationalized industry could not fulfill its duty in the socialist economy without a systematic lowering of production costs.

The more rigid wage policy brings with it the following: a revision of the wage rate for standardized work from 1952 on, opposition to overtime work, the introduction of a second and third shift in all branches of heavy industry, the increase of personal responsibility of managers from the general director down to the shop foreman; it especially stresses the introduction of new work methods, new work tools, and the efficient operation of machines. Although the existing work norms and wage rates remain in effect for 1951, the enterprises will be able to pay wages at these rates only when production corresponds to the economic plan. In this case, examination of the quality of the work will also play a part. Higher wages will no longer be earned by overtime, but only by production above the norm.

The industrial wage policy will not apply to nonindustrial branches of the national economy such as trade, administration, transportation, and communal enterprises. In these areas, too, the State Bank, by order of the State Planning Office, will control the financial aspect of the administration of enterprises in all details. As of 1 January 1952, following a 9-month trial period, Czechoslovak industry will have tightened the reins of wage policy as fully as any central economic planning can desire.

A short time ago, wages in the nationalized industrial enterprises were fixed according to norms on the basis of a combination of time and piece-work payments for each particular piece of work. The standard time and corresponding pay were recorded. These norms, all higher than in 1950, are fixed to the end of the current year. However, they can again be raised by mutual agreement

- 3 -

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before the termination of this period. This has recently occurred in the form of "voluntary" assumption of work by individuals or by the entire personnel (for example, in honor of 1 May, etc.).

The government has also approved a plan for the reorganization of the state employees. A reorganization of government personnel which consisted of the hiring of thousands of new officials from the ranks of labor and small farmers -- after completion of a one-year course of instruction -- has just been terminated. Railroad, postal, tobacco-monopoly, and mine workers have ceased to be employees of the state since these state enterprises were changed in 1949 to economically independent "national enterprises." In contrast, the number of employees in the administration itself has increased greatly. However, many of them are now no longer employees of the state, but of the national committees of the obec's, okres's and kraj's.

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- 4 -

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